

CANADA
STEAMSHIP
LINES
LIMITED

ANNUAL REPORT
1943

PURVIS HALL
LIBRARIES

JAN 18 1946

McGILL UNIVERSITY

CANADA STEAMSHIP LINES LIMITED

DIRECTORS

W. H. COVERDALE, ESQ.
ARTHUR CROSS, ESQ.
KENNETH T. DAWES, ESQ.
W. C. FRANZ, ESQ.
HARRY C. HATCH, ESQ.
FRANK J. HUMPHREY, ESQ.
COL. K. R. MARSHALL
GEORGE H. MONTGOMERY, ESQ., K.C.
PAUL J. MYLER, ESQ.
A. C. PICARD, ESQ.
JOSEPH M. PIGOTT, ESQ.
JOSEPH A. SIMARD, ESQ.
PAUL F. SISE, ESQ.
SIDNEY T. SMITH, ESQ.
C. E. TASCHEREAU, ESQ.



EXECUTIVE OFFICERS

W. H. COVERDALE
President
GEORGE H. MONTGOMERY, K.C.
Vice-President
R. B. THOMSON
Secretary
H. A. CRESSWELL
Treasurer

CANADA STEAMSHIP LINES LIMITED

To the Stockholders:

Your Directors submit the Company's Thirtieth Annual Report and Statement of Accounts. During the year the renegotiation of the Company's shipbuilding contracts referred to in the Auditors' Report to the Shareholders for the year 1942 has been completed, resulting in a reduction in the net income for that year in amount of \$341,005.06. The comparisons which follow are after giving effect to this reduction.

The total revenue for 1943 amounted to \$15,532,907.73, a reduction of \$1,417,415.79 from the previous year, due to a shorter season of navigation.

After all charges, provision for depreciation, et cetera, there was a net profit before income and excess profits taxes of \$1,700,372.02. All elements of cost in the operation of the Company's fleet increased during the year, whereas the compensation for services was restricted by price ceilings.

After making provision for Dominion Income and Excess Profits taxes in amount of \$770,000 (after deducting the refundable portion), the net income for the year was \$930,372.02, a decrease of \$633,612.00 from the previous year.

During the year the regular dividend was paid on the Company's preference stock, as well as a dividend of fifty cents per share on its common stock for the six months ended June 30, 1943.

A special contribution of \$100,000 was made to the Employees' Pension Fund.

Cash and Government securities on hand on December 31, 1943, amounted to \$3,893,049.15. The Company also held in its treasury, against future sinking fund requirements, \$2,740,300 of its First Mortgage Bonds.

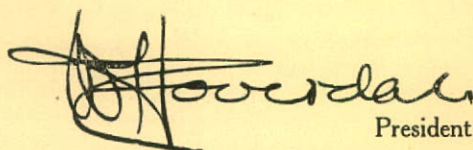
Kingston Elevator Company's First Mortgage Bonds were reduced by \$29,000.00 through sinking fund operations to \$1,101,000.00 outstanding as at December 31, 1943.

The Company's property has been maintained in sound physical condition. During the year, net additions to property amounted to \$470,444.45, represented principally by the extension of shipbuilding facilities at the Davie Shipbuilding plant.

The fleet now consists of seventy-one steamships of which fifty-nine are freight vessels and twelve are passenger. Your Directors and Officers are giving careful thought and consideration to the post-war period, particularly the expansion of the Company's services, and of its fleet.

Your Directors desire to record their appreciation of the loyal and efficient services of the Company's officers and employees.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "J. Howard". The signature is stylized with a large, sweeping initial "J" and a horizontal line extending across the middle of the name.

President

Montreal, P.Q.,
March 14, 1944.

CANADA STEAMSHIP LINES, LIMITED

CONSOLIDATED

As of December 31, 1936

ASSETS

Fixed Assets, on the basis of the reduced valuation made by the Management as of December 31, 1936, and approved by the Board of Directors with subsequent additions at Cost:

Vessels, Real Estate, Buildings, Docks and Wharves, Plant and Equipment and Miscellaneous.....	\$43,381,594.34
Less Reserve for Depreciation.....	23,695,372.97
	<u>\$19,686,221.37</u>

Current Assets:

Cash in Banks and on Hand.....	\$ 892,136.65
Dominion of Canada Bonds at Cost (of which \$395,000.00 are deposited in guarantee of Shipbuilding Contracts).....	2,950,912.50
Guaranteed Deposit.....	50,000.00
Accounts Receivable, less Reserve.....	1,460,114.98
Adjusted Losses due by Underwriters.....	62,823.65
Insurance and Other Claims, estimated amount recoverable.....	236,898.67
Interest Receivable Accrued.....	16,540.14
Inventories of Stores and Supplies and Shipyard Work in Progress, at the lower of Cost or Market (as determined by responsible Officials on the basis of physical inventories).....	10,641,736.86
	<u>\$16,311,163.45</u>
Less Progress Payments on Uncompleted Contracts.....	8,680,000.00

7,631,163.45

Prepaid Expenses.....	222,644.24
-----------------------	------------

Payments in respect of Income and Excess Profits Taxes in excess of estimated tax liability.....	144,900.66
--	------------

Refundable Portion of Excess Profits Tax—Estimated.....	190,000.00
---	------------

Investments at Book Value (including \$2,740,300.00 par value of 5% First Mortgage Bonds of the Company).....	3,148,176.52
---	--------------

Deposits with Trustees for Mortgage Bonds:

Cash on Hand.....	411.11
Cash and Dominion Bonds held for replacement of Assets lost and sold.....	311,944.07
	<u>312,355.18</u>

Funds in Trust re Capital Expenditure for War Contracts.....	2,674.14
--	----------

\$31,338,135.56

D, AND ITS SUBSIDIARY COMPANIES

BALANCE SHEET

er 31, 1943

LIABILITIES

Capital Stock:

Authorized and Outstanding:

229,250 Shares 5% Cumulative Preferred Stock of \$50.00 each.. \$11,462,500.00

300,000 Shares Common Stock of No Par Value. 3,391,500.00

\$14,854,000.00

Funded Debt:

5% First Mortgage Bonds—Series "A" due January 2, 1957. \$10,500,000.00

6% Twenty Year First Mortgage Gold Bonds of Kingston Elevator Co. Limited. 1,101,000.00

11,601,000.00

Current Liabilities:

Accounts Payable. \$ 1,547,157.37

Bond Interest Accrued. 11,010.00

Other Accrued Charges. 3,757.60

1,561,924.97

Reserves:

For Freight Claims. 35,000.00

" Insurance Losses and Repairs. 325,000.00

360,000.00

Earned Surplus. 2,958,536.45

Advances re Capital Expenditure for War Contracts, per Contra. . . . 2,674.14

Signed on behalf of the Board:

W. H. COVERDALE }
GEO. H. MONTGOMERY } Directors.

\$31,338,135.56

CANADA STEAMSHIP LINES, LIMITED

AND ITS SUBSIDIARY COMPANIES

STATEMENT OF PROFIT AND LOSS

For the Year ended December 31, 1943

Operating Revenue:

Vessels.....	\$13,406,645.69
Docks and Wharves.....	473,624.01
Miscellaneous Operating Revenue—Net.....	1,336,000.74

\$15,216,270.44

Other Revenue (including Income from Investments, \$223,370.84)..... 316,637.29

\$15,532,907.73

Expenses (including Salaries of Executive Officers, \$78,000.00, Directors' Fees, \$15,880.00, and Legal Fees, \$6,131.07)..... 11,816,359.17

Net Earnings before Interest Charges and Depreciation..... \$ 3,716,548.56

From which deduct:

Interest on 5% Mortgage Bonds..... \$ 525,000.00

Interest on 6% Mortgage Bonds of Kingston Elevator Company Limited..... 66,640.00

\$ 591,640.00

Provision for Depreciation..... 1,424,536.54

2,016,176.54

Net Profit..... \$ 1,700,372.02

Provision for Income and Excess Profits Taxes—

Estimated..... \$ 785,000.00

Less Refundable Portion of Excess Profits Tax—

Estimated..... 15,000.00

770,000.00

Net Income for Year..... \$ 930,372.02

STATEMENT OF EARNED SURPLUS

Amount at December 31, 1942..... \$ 3,092,294.49

Deduct Adjustment of Net Income for the year 1942 resulting from re-negotiation of Shipbuilding Contracts..... 341,005.06

Adjusted amount at December 31, 1942..... 2,751,289.43

Add Net Income for Year ended December 31, 1943..... 930,372.02

\$ 3,681,661.45

Deduct Dividends Paid:

To Preferred Shareholders..... \$ 573,125.00

" Common Shareholders..... 150,000.00

723,125.00

Amount at December 31, 1943..... \$ 2,958,536.45

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the accounts of Canada Steamship Lines, Limited and its Subsidiary Companies for the year ended December 31, 1943, and, in accordance with the provisions of the Companies Act (Dominion), we have to report that we have obtained all the information and explanations we have required and, in our opinion, the appended Consolidated Balance Sheet as of December 31, 1943, is properly drawn up so as to exhibit a true and correct view of the state of the Companies' affairs, on a consolidated basis, as of December 31, 1943, according to the best of our information and the explanations given to us, and as shown by the books of the Companies.

PEAT, MARWICK, MITCHELL & CO.,
Auditors.

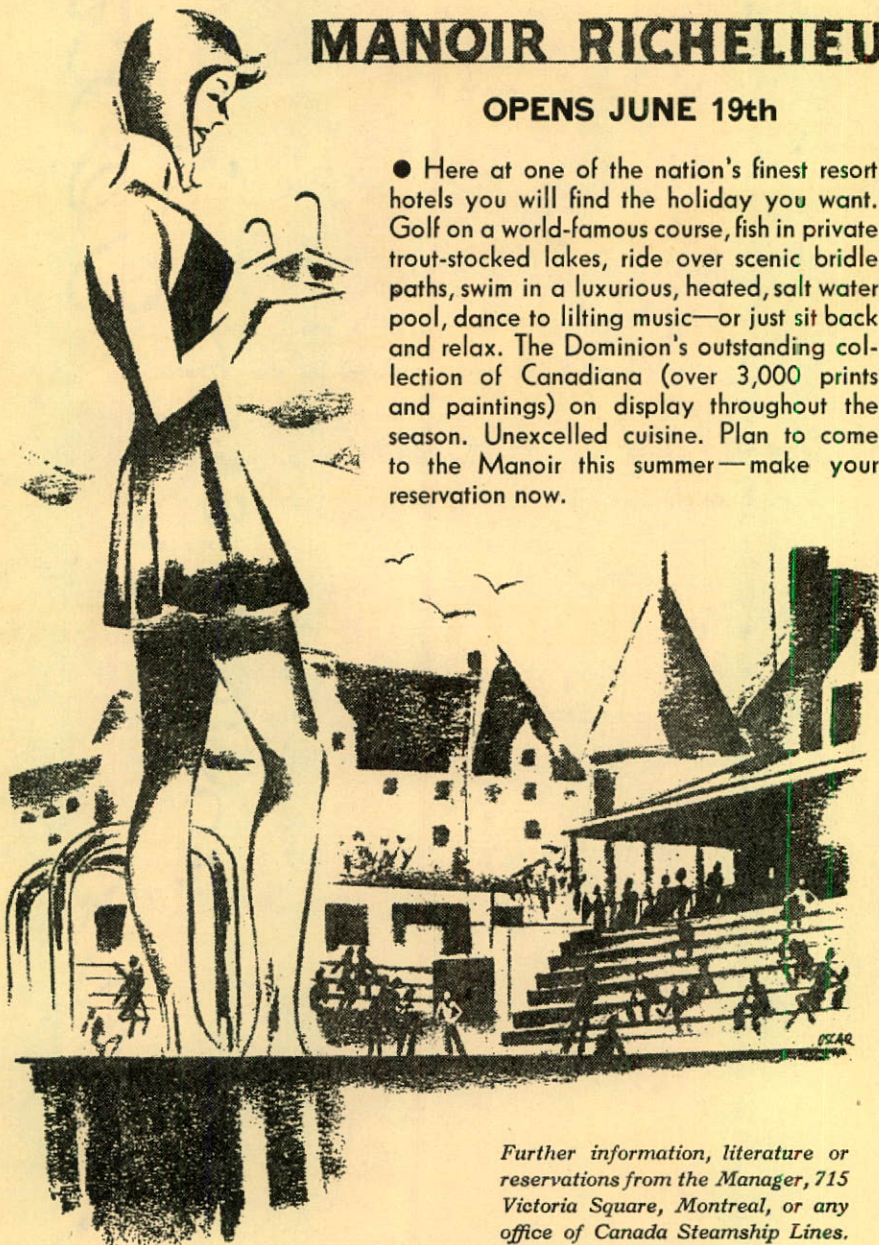
March 14, 1944.

RELAX AT THE

MANOIR RICHELIEU

OPENS JUNE 19th

● Here at one of the nation's finest resort hotels you will find the holiday you want. Golf on a world-famous course, fish in private trout-stocked lakes, ride over scenic bridle paths, swim in a luxurious, heated, salt water pool, dance to lilting music—or just sit back and relax. The Dominion's outstanding collection of Canadiana (over 3,000 prints and paintings) on display throughout the season. Unexcelled cuisine. Plan to come to the Manoir this summer—make your reservation now.



*Further information, literature or
reservations from the Manager, 715
Victoria Square, Montreal, or any
office of Canada Steamship Lines.*



SEASON OPENS JUNE 24th

AT THE

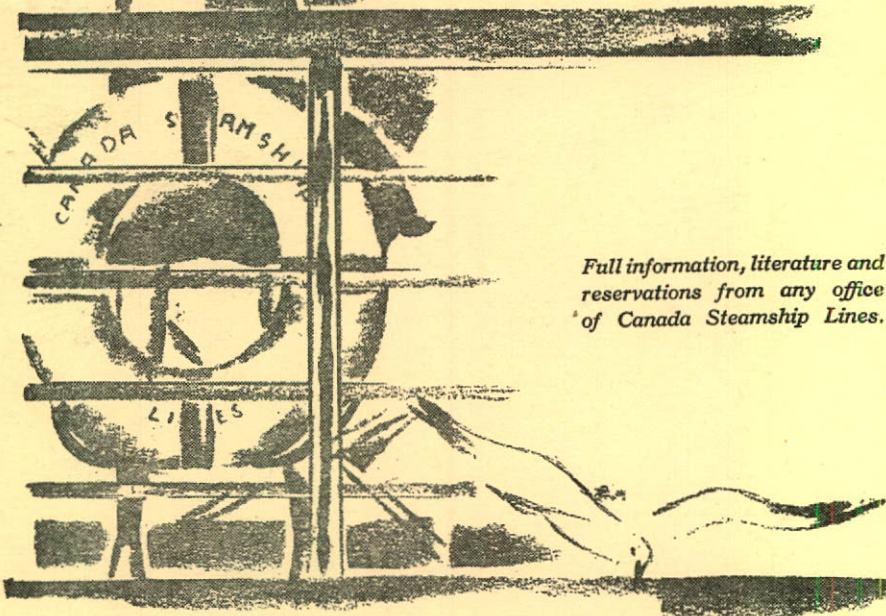
HOTEL TADOUSSAC

● Nine protected lakes offering some of the continent's finest fishing; tennis; golf; swimming in a heated salt water pool or in fresh water lakes. In Chauvin House, originally built in 1600, is a rare collection of Indian relics. All this at the Hotel Tadoussac located in the oldest settlement in North America. Make your reservation now for the finest holiday you've ever had.

Further information, literature or reservations from the Manager, 715 Victoria Square, Montreal, or any office of Canada Steamship Lines.

TAKE A BOAT TRIP !

● From the head of the Great Lakes to the Saguenay River, C. S. L. passenger liners offer a variety of holiday cruises to suit every purse. Relax completely—cut off from the office and with no worries about tires or gas ration. In the fresh air you'll regain your youthful appetite and do justice to the excellent shipboard meals. No matter how long your holiday, you'll get more out of it if you "Take a Boat Trip".



*Full information, literature and
reservations from any office
of Canada Steamship Lines.*

